



National Aeronautics and  
Space Administration  
Washington, DC 20546

# Procurement Notice

**PN 04-16**  
**August 15, 2006**

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## **ACQUISITION PLANNING CHANGES: PROCUREMENT STRATEGY MEETING AND MASTER BUY PLAN SUBMISSION**

**BACKGROUND:** This PN revises the NASA FAR Supplement (NFS) to make two changes related to acquisition planning.

1. The Acquisition Strategy Meeting (ASM) described in NFS 1807.170 is re-titled Procurement Strategy Meeting (PSM) as part of a revision in the NASA planning process into three significant and discrete events: Acquisition Strategic Planning (ASP), Acquisition Strategy Meeting (ASM), and the PSM. The ASP and the ASM occur during the program and project approval and requirements development processes. The ASP is used to approve programs and significant projects for execution. The ASM is program or project specific, more detailed than the ASP, and is conducted in accordance with NPR 7120.5. The PSM is project or contract specific, and is developed by the project manager, supported by the contracting officer, and approved as prescribed in the NFS.

2. The Master Buy Plan threshold is lowered to \$10M for acquisitions when estimated Exploration Systems Mission Directorate (ESMD) or Space Operations Mission Directorate (SOMD) funding, or the combined estimated ESMD/SOMD funding, exceeds 50 percent of the total value of the acquisition. Centers must enter the acquisition into the Master Buy Database (electronically) as soon as information becomes available on the acquisition.

### **ACQUISITIONS AFFECTED BY CHANGES:**

**Change 1.** All new programs and projects that require a PSM.

**Change 2.** All new acquisitions that exceed \$10 million when estimated ESMD or SOMD funding, or the combined estimated ESMD/SOMD funding, exceeds 50 percent of the total value of the acquisition.

**ACTIONS REQUIRED BY CONTRACTING OFFICERS:** Comply with the acquisition planning changes specified in this PN.

**CLAUSE CHANGES:** None.

**PARTS AFFECTED:** Parts 1807, 1815, 1817, and 1819.

**REPLACEMENT PAGES:** You may use the enclosed pages to replace Part 1807, 15:7, 15:8, 17:9, 17:10, 19:3, and 19:4 of the NFS.

**TYPE OF RULE AND PUBLICATION DATE:** These changes do not have a significant impact beyond the internal operating procedures of NASA and do not have a significant cost or administrative impact on contractors or offerors, and therefore do not require codification in the Code of Federal Regulations (CFR) or publication for public comment.

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Enclosures

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**PART 1807**  
**ACQUISITION PLANNING**

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**PART 1807**  
**ACQUISITION PLANNING**

**Subpart 1807.1--Acquisition Plans**

**1807.103 Agency-head responsibilities.**

(d)(i) Except as provided in paragraph (d)(iii) of this section, acquisition plans shall be prepared according to the following:

(A) For acquisitions requiring Headquarters approval, by an Procurement Strategy Meeting (PSM) (see 1807.170);

(B) For acquisitions not requiring Headquarters approval and expected to exceed \$10 million, by installation-approved PSMs or written acquisition plans; and,

(C) For acquisitions not expected to exceed \$10 million, in accordance with installation procedures.

(ii) The estimated dollar amounts shall include all options and later phases of the same program or project.

(iii) Acquisition plans are not required for the following acquisitions:

(A) Architect-engineering services;

(B) Broad agency announcements (see 1835.016) or unsolicited proposals;

(C) Basic research from nonprofit organizations;

(D) Utility services available from only one source;

(E) From or through other Government agencies except when the value of the acquisition meets the Master Buy Plan threshold (see 1807.7101); or

(F) Industrial facilities required in support of related contracts.

(iv) Acquisition plans shall be approved before soliciting proposals.

(v) Approval of an acquisition plan does not constitute approval of any special conditions, or special clauses that may be required unless the plan so specifies, and the individual having approval authority is a signatory of the plan. All required deviations shall be approved through the procedures described in FAR 1.4 and 1801.4.

(vi) A single acquisition plan may be used for all phases of a phased acquisition provided the plan fully addresses each phase, and no significant changes occur after plan approval to invalidate the description of the phases. If such significant changes do occur, the plan shall be amended and approved at the same level as the original plan.

(e) Acquisition plans should be prepared on a program or system basis when practical. In such cases, the plan should fully address all component acquisitions of the program or system.

**1807.104 General procedures.**

(a) The acquisition planning team shall obtain input from the center offices responsible for matters of safety and mission assurance, occupational health, environmental protection, information technology, export control, and security to ensure that all NASA acquisitions are structured in accordance with NASA policy in these areas. As part of this process, the team shall recommend any appropriate solicitation or contract requirements for implementation of safety, occupational health, environmental, information technology, export control, and security concerns. (See NPR 8715.3, NASA Safety Manual; NPR 7120.5, NASA Program and Project Management Processes and Requirements; NPR 2810.1, Security of Information Technology, and NPR 1620.1, Security Procedural Requirements, all available at <http://nodis3.gsfc.nasa.gov/>).

**1807.105 Contents of written acquisition plans.**

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Acquisition plans shall address each applicable topic listed in FAR 7.105, as supplemented by this section. Plans shall be structured by subject heading using each italicized topic heading in the same sequence as presented in the FAR. Subheadings should be used when appropriate (e.g., the separate items under contracting considerations at 7.105(b)(4)). Topics not applicable to a given acquisition (e.g., design-to-cost and should-cost are not compatible with service acquisitions), should be marked N/A. The requirements in FAR 7.105 regarding performance-based acquisition methods shall not be limited to acquisition plans for service contracts.

(a)(1) Describe in nontechnical terms the supplies or services to be acquired. Include quantities.

(a)(2) NPR 7120.5 shall be an integral part of acquisition planning for programs and projects subject to its requirements. If the NPR does not apply, the acquisition plan shall clearly state that fact. If the NPR does apply, specify whether all required NPR 7120.5 documentation is current and approved. If not, describe the approach for obtaining approval or the authority to proceed without approval before release of draft or final solicitations. For programs and projects under the NPR, all draft or final solicitations subject to, or directly or substantially in support of, those programs or projects shall clearly identify the program or project of which they are part.

(a)(3) Identify the estimated cost and describe the estimating methodology.

(a)(5) Specify the delivery or performance period requirements separately by the basic contract, each option, and the total. Provide supporting rationale, which describes the relationship between the technical requirements and the proposed period of performance, including the basis for the decision regarding duration and the appropriateness of the inclusion of options.

(a)(7) Discuss project/program risks (see NPR 7120.5, NASA Program and Project Management Processes and Requirements). In addition to technical, schedule, and cost risks, the discussion shall include such considerations as: safety and security (including personnel, information technology, and facilities/property); the need to involve foreign sources (contractor and/or governmental), and risks of unauthorized technology transfer (see NPD 2110.1E and Export Control Program (<http://www.hq.nasa.gov/office/oer/nasaecp/Welcome.html>)); and resource risk, including the necessary level and expertise of NASA personnel resources available to manage the project/program. For each area of risk identified, the discussion shall include a quantification of the relative magnitude (e.g., high, medium, low) together with the specific actions taken to structure the acquisition approach to manage the risks throughout the acquisition process. For example, this discussion would identify those areas that have safety risk, discuss how safety is addressed in contract requirements and evaluated in the source selection, and how it will be managed and incentivized during contract performance. Decisions to accept, mitigate, track, and/or research risk factors shall be identified and documented as part of acquisition planning.

(a)(8) Streamlining applies to all NASA acquisitions. Describe all planned streamlining procedures.

(b)(3) Discuss the source selection approach (trade-off, lowest price technically acceptable, combination of approaches) and the rating method (numerical scoring, acceptable/unacceptable, adjectival) to be used, how it will be used and why it is expected to result in the selection of the best value to NASA. Address how cost realism will be evaluated.

(b)(4)(A) If an incentive contract is planned, describe the planned incentive(s) and the anticipated effects.

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(B) Describe subcontracting issues, including all applicable subcontracting goals. (See FAR Part 19 and Part 1819.)

(b)(5)(A) Identify the estimated cost separately by the basic contract, each option and total amount.

(B) Identify the funding by fiscal year and NASA Structure Management project number.

(C) Discuss planned approaches to eliminate funding shortfalls (vs. the estimated cost).

(b)(6) Identify the type of work statement/specification planned. Specifically address the applicability of performance work statements and the availability of commercial sources for the supplies/services.

(b)(10) Address contract management issues, including --

(A) Planned delegations of administrative functions; and

(B) When contract changes are anticipated, the plan to manage such changes and the specific measures that will be taken to minimize the issuance of undefinitized contract actions.

(b) (20) If the period between release of solicitation to contract award is more than 120 calendar days (180 days for formal SEB competitions), explain why that goal cannot be met.

#### **1807.107 Additional requirements for acquisitions involving bundling.**

(c) Requests for approval of proposed bundlings that do not meet the thresholds in FAR 7.107(b) must be sent to the Headquarters Office of Procurement (Code HS).

(e) The substantial bundling documentation requirements applies to each proposed NASA bundling expected to exceed \$5 million or more. The contracting officer must forward the documentation along with the measurable benefits analysis required by FAR 7.107(b) to the Headquarters Office of Procurement (Code HS) in sufficient time to allow a minimum of 10 days for review.

#### **1807.107-70 Orders against Federal Supply Schedule contracts or other indefinite-delivery contracts awarded by another agency.**

The FAR and NFS requirements for justification, review, and approval of bundling of contract requirements also apply to an order from a Federal Supply Schedule contract or other indefinite-delivery contract awarded by another agency if the requirements consolidated under the order meet the definition of "bundling" at FAR 2.101.

#### **1807.170 Procurement Strategy Meeting (PSM).**

(a) The PSM is an acquisition plan conducted through a meeting attended by all interested NASA offices. The online Guide for Successful Headquarters Procurement Strategy Meetings (PSMs) can be found at the following URL: <http://ec.msfc.nasa.gov/hq/library/PSMs.html>. At the meeting, the acquisition plan topics and structure specified in 1807.105 are presented in briefing format, and formal written minutes prepared to summarize the decisions, actions, and conclusions of the PSM members. The approved minutes, along with the briefing charts, shall be included in the contract file to document completion of the acquisition plan required by 1807.103.

(b) The PSM is not a requirements definition meeting. It is a meeting to seek approval for the proposed acquisition approach for requirements that were previously defined and agreed to by the cognizant offices.

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(c) Headquarters PSMs will be chaired by the Assistant Administrator for Procurement or designee. The Headquarters Office of Procurement (Program Operations Division) will prepare the minutes of Headquarters PSMs and distribute them to all attendees for review prior to approval by the PSM chairperson.

(d) For field installation PSMs, the minutes shall be approved in accordance with installation procedures.

### **Subpart 1807.2--Planning for the Purchase of Supplies in Economic Quantities**

#### **1807.204 Responsibilities of contracting officers.**

(a) The contracting officer shall transmit in writing to the cognizant inventory management/requirements office either the actual offeror responses or a summary of their salient points. The transmittal should be made within five working days after the closing date for receipt of offers; however, if a response indicates the potential for a significant savings, it should be transmitted immediately.

### **Subpart 1807.5--Inherently Governmental Functions**

#### **1807.503 Policy.**

(e) The field installation requirements office shall provide the contracting officer the written determination that none of the statement of work tasks are inherently governmental. Disagreements regarding the determination shall be resolved in accordance with installation procedures.

### **Subpart 1807.70--Consolidated Contracting**

#### **1807.7000 General.**

The Consolidated Contracting Initiative (CCI) is NASA's commitment to the cooperative creation and utilization of contracts, whenever practicable, to meet common Agency needs. CCI aims at improving acquisition efficiency by identifying and logically combining similar requirements. Complete information on the initiative, with its implementation guidance, is available in the internet (<http://prod.nais.nasa.gov/cgi-bin/cci/first.cgi>).

### **Subpart 1807.71--Master Buy Plan**

#### **1807.7100 General.**

The Master Buy Plan provides information on planned acquisitions to enable management to focus its attention on a representative selection of high-dollar-value and otherwise sensitive acquisitions.

#### **1807.7101 Applicability.**

(a) The Master Buy Plan applies to each negotiated acquisition, including supplemental agreements, and acquisitions through or from other Government agencies, where the dollar value, including the aggregate amount of options, follow-on acquisitions, or later phases of multi-phase acquisitions, is expected to equal or exceed \$50,000,000.

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(b) For initial annual Master Buy Plan submission only, each installation shall submit its three largest acquisitions regardless of dollar value and all acquisitions over \$50,000,000.

(c) The procedure also applies to:

(1) Any supplemental agreement that contains either new work, a debit change order, or a credit change order (or any combination/ consolidation thereof), if the absolute value of the actions equals or exceeds \$50,000,000 (e.g., the absolute value of a supplemental agreement adding \$30,000,000 of new work and deleting \$30,000,000 of work is \$60,000,000, and is therefore subject to the Master Buy Plan).

(2) Any supplement agreement that contains one or more elements (new work and/or individual change orders) of a sensitive nature that, in the judgment of the installation or Headquarters, warrants Headquarters consideration under the Master Buy Plan, even though the value does not equal or exceed \$50,000,000.

(3) Any cooperative agreement notice where the total value (the Government's contribution plus the contribution of the recipient) of any resulting cooperative agreement is expected to equal or exceed \$50,000,000.

(4) All new acquisitions excluding supplemental agreements, where the total value is expected to exceed \$10,000,000, and the estimated Exploration Systems Mission Directorate (ESMD) or Space Operations Mission Directorate (SOMD) funding, or the combined estimated ESMD/SOMD funding, exceeds 50 percent of the total value of the acquisition.

(5) Any acquisition designated by NASA Headquarters regardless of its value.

(d) The Master Buy Plan does not apply to incremental funding actions or termination settlement agreements.

#### **1807.7102 Submission, selection, and notification procedures.**

##### **1807.7102-1 Submission of Master Buy Plan.**

(a) Prior to July 15th of every year, each installation shall submit to the Headquarters Office of Procurement (Program Operations Division) a Master Buy Plan (electronically) for the next fiscal year, listing every known acquisition that (1) meets the criteria in 1807.7101, (2) is expected to be initiated in that fiscal year, and (3) has not been included in a previous Master Buy Plan or amendment to a Master Buy Plan.

(b) The fiscal year Master Buy Plan shall list all uncompleted acquisitions selected for Headquarters review and approval from prior Master Buy Plans and amendments to Master Buy Plans. These acquisitions should be listed by the appropriate fiscal year Master Buy Plan and individual item numbers, and should indicate the current status of the individual acquisition documents previously selected for Headquarters review and approval.

(c) Plans shall be prepared in accordance with 1807.7103 and shall identify the individual acquisition documents involved for every acquisition listed. Acquisition documents that may require Headquarters approval will be held in abeyance until receipt of the notification required by 1807.7102-3. This is not to preclude the planning for or initiation of such documents up to that point where Headquarters approval may be required.

##### **1807.7102-2 Submission of amendments to the Master Buy Plan.**



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(a) Acquisitions identified by installations after submission of their Master Buy Plan and meeting the criteria in 1807.7102-1(a) shall be submitted to Headquarters in accordance with 1807.7103 and identified as an amendment to the fiscal year Master Buy Plan submission.

(b) Master Buy Plan submissions should not be accomplished after the fact. Amendments shall be submitted sufficiently in advance of contract award date to allow Headquarters to select those acquisition documents that will be subject to Headquarters review and approval without creating an unacceptable delay in contract placement.

(c) When timely submittal is not possible, the installation shall provide with the amendment a narrative explaining the circumstances leading to the late submittal. A Master Buy Plan submission for a contract change order expected to meet the criteria in 1807.7101 shall be submitted to Headquarters immediately upon issuance of the change order.

### **1807.7102-3 Selection and notification procedures.**

(a) The Headquarters Office of Procurement (Program Operations Division) shall select acquisition documents from the Master Buy Plan and amendments to Master Buy Plans to receive Headquarters review and approval and shall designate source selection officials.

(b) When, subsequent to document selection or delegation, an acquisition is changed (for example, increase or decrease in dollar amount, change in requirement), canceled, superseded, deferred, or becomes no longer subject to the Master Buy Plan procedures in accordance with the criteria in 1807.7101, the installation shall immediately notify the Program Operations Division, giving the reasons. The Program Operations Division shall notify the installation's procurement office in writing of any further action that may be required.

(c) Acquisition documents not selected for Headquarters review will be subject to after-the-fact reviews by Headquarters during normal procurement management surveys or other special reviews. Acquisition delegations may subsequently be rescinded if a Headquarters review is deemed appropriate.

### **1807.7103 Format of Master Buy Plan.**

(a) In accordance with the requirements of 1807.7102-1 and 1807.7102-2, installations must prepare Master Buy Plans and amendments to Master Buy Plans in accordance with the Master Buy Plan Database (MBPD) instructions at <http://www.hq.nasa.gov/office/procurement/regs/Table1807.doc> and submit them in accordance with the MBPD User Manual Instructions listed at <http://ec.msfc.nasa.gov/hq/library/masterbuyplan.pdf>.

(b) For those acquisitions subject to the MBP pursuant to 1807.7101(c)(4), installations must include the following information in the MBP Record Fields:

HQ Funding Org: "HSFTP"

Status Schedule: SOMD Funded\_\_\_\_\_ percent; ESMD Funded\_\_\_\_\_percent

Status Schedule: HCA Authority Recommendation: ESMD, SOMD or Center

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In coordination with the Mission Directorates and the cognizant Center, the HCA authority for the new procurement will be determined and recorded in the MBP database by the Office of Procurement.

### **Subpart 1807.72--Acquisition Forecasting**

#### **1807.7200 Policy.**

(a) As required by the Business Opportunity Development Reform Act of 1988, it is NASA policy to –

(1) Prepare an annual forecast and semiannual update of expected contract opportunities or classes of contract opportunities for each fiscal year;

(2) Include in the forecast contract opportunities that small business concerns, including those owned and controlled by socially and economically disadvantaged individuals, may be capable of performing; and

(3) Make available such forecasts to the public.

(b) The annual forecast and semiannual update are available on the NASA Acquisition Internet Service (<http://www.hq.nasa.gov/office/procurement/>).

#### **1807.7201 Definitions.**

"**Class of contracts**" means a grouping of acquisitions, either by dollar value or by the nature of supplies and services to be acquired.

"**Contract opportunity**" means planned new contract awards exceeding \$25,000.

#### **1807.7202 Responsibilities.**

(a) NASA Procurement Officers shall post the data required by 1807.7203 directly to the NASA Acquisition Internet Service not later than October 1 for the annual forecast and April 15 for the semiannual update.

(b) The Program Operations Division will manage policy and monitor compliance with the NASA Acquisition Forecast process.

#### **1807.7203 Forecast data.**

(a) The annual forecast shall contain --

(1) Summary historical data (based on information provided by the Headquarters Office of Procurement (Analysis Division and Program Operations Division) on the class of contract opportunities below the simplified acquisition threshold;

(2) Identification of all known contract opportunities in excess of the simplified acquisition threshold. Each such action should be identified as one of the three broad categories of acquisition -- Research and Development, Services, or Supplies and Equipment and shall include the following information:

(i) A brief description not to exceed ten typed lines;

(ii) Approximate dollar value within the following dollar ranges: \$100,000 to \$1,000,000; \$1,000,000 to \$5,000,000; and over \$5,000,000;

(iii) Anticipated time (by fiscal year quarter) for the issuance of the solicitation;

(iv) Identification if it is reserved for performance by small business concerns including those owned and controlled by socially and economically disadvantaged individuals;

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(v) Identification as competitive or noncompetitive; and

(vi) Identification and telephone number of a center point of contact.

(b) The semiannual report shall be an update of the data provided by the annual forecast. This update should provide information on new requirements not previously reported and on changes in data related to actions previously identified.

**1815.300-70 Applicability of subpart.**

(a)(1) Except as indicated in paragraph (b) of this section, NASA competitive negotiated acquisitions shall be conducted as follows:

- (i) Acquisitions of \$50 million or more -- in accordance with FAR 15.3 and this subpart.
- (ii) Other acquisitions -- in accordance with FAR 15.3 and this subpart except section 1815.370 and use of a mission suitability factor and numerical scoring is optional.

(2) Estimated dollar values of acquisitions shall include the values of multiple awards, options, and later phases of the same project.

(b) FAR 15.3 and this subpart are not applicable to acquisitions conducted under the following procedures:

- (1) Announcements of Opportunity (see Part 1872).
- (2) NASA Research Announcements (see 1835.016-71).
- (3) The Small Business Innovative Research (SBIR) program and the Small Business Technology Transfer (STTR) pilot program under the authority of the Small Business Act (15 U.S.C. 638).
- (4) Architect and Engineering (A&E) services (see FAR 36.6 and 1836.6).

**1815.303 Responsibilities.**

(a) The SSA shall be established at the lowest reasonable level for each acquisition. Notwithstanding the FAR designation of the contracting officer as SSA, the SSA for center acquisitions shall be established in accordance with center procedures. For acquisitions designated as Headquarters selections, the SSA will be identified as part of the Master Buy Plan process (see 1807.71).

(b)(i) The source selection authority (SSA) is the Agency official responsible for proper and efficient conduct of the source selection process and for making the final source selection decision. The SSA has the following responsibilities in addition to those listed in the FAR:

(A) Approve the source selection approach, rating method, evaluation factors, subfactors, the weight of the evaluation factors and subfactors when used, and any special standards of responsibility (see FAR 9.104-2) before release of the RFP, or delegate this authority to appropriate management personnel;

(B) Appoint the source selection team. However, when the Administrator will serve as the SSA, the Official-in-Charge of the cognizant Headquarters Program Office will appoint the team; and

(C) Provide the source selection team with appropriate guidance and special instructions to conduct the evaluation and selection procedures.

(b)(2) Approval authorities for Acquisition Plans and Procurement Strategy Meetings are in accordance with 1807.103.

**1815.304 Evaluation factors and significant subfactors.**

(c)(4)(A) The extent of participation of small disadvantaged business (SDB) concerns shall be evaluated as a subfactor under the Mission Suitability factor. If a Mission Suitability factor is not used, the SDB participation shall be evaluated as a separate factor or subfactor, as appropriate.

(B) SDB concerns that choose the FAR 19.11 price evaluation adjustment shall receive the lowest possible score/rating under the FAR 15.304(c)(4) evaluation.

**1815.304-70 NASA evaluation factors.**

(a) Typically, NASA establishes three evaluation factors: Mission Suitability, Cost/Price, and Past Performance. Evaluation factors may be further defined by subfactors. Evaluation subfactors should be structured to identify significant discriminators, or "key swingers" - the essential information required to support a source selection decision. Too many subfactors undermine effective proposal evaluation. All evaluation subfactors should be clearly defined to avoid overlap and redundancy.

(b) Mission Suitability factor.

(1) This factor indicates the merit or excellence of the work to be performed or product to be delivered. It includes, as appropriate, both technical and management subfactors. Mission Suitability shall be numerically weighted and scored on a 1000-point scale. (See 1815.300-70(a)(1)(ii).)

(2) The Mission Suitability factor may identify evaluation subfactors to further define the content of the factor. Each Mission Suitability subfactor shall be weighted and scored. The adjectival rating percentages in 1815.305(a)(3)(A) shall be applied to the subfactor weight to determine the point score. The number of Mission Suitability subfactors is limited to five. The Mission Suitability evaluation subfactors and their weights shall be identified in the RFP.

(3) For cost reimbursement acquisitions, the Mission Suitability evaluation shall also include the results of any cost realism analysis. The RFP shall notify offerors that the realism of proposed costs may significantly affect their Mission Suitability scores.

(4) If the solicitation requires the submission of a Safety and Health Plan (see 1823.7001(c) and NPR 8715.3, NASA Safety Manual, Appendix H), safety and health must be a consideration in the evaluation. The Mission Suitability factor, if used, shall include a subfactor for safety and health.

(c) Cost/Price factor. This factor evaluates the reasonableness and, if necessary, the cost realism, of proposed costs/prices. The Cost/Price factor is not numerically weighted or scored.

(d) Past Performance factor.

(1) This factor indicates the relevant quantitative and qualitative aspects of each offeror's record of performing services or delivering products similar in size, content, and complexity to the requirements of the instant acquisition.

(2) The RFP shall instruct offerors to submit data (including data from relevant Federal, State, and local governments and private contracts) that can be used to evaluate their past performance. Typically, the RFP will require:

(i) A list of contracts similar in size, content, and complexity to the instant acquisition, showing each contract number, the type of contract, a brief description of the work, and a point of contact from the organization placing the contract. Normally, the requested contracts are limited to those received in the last three years. However, in acquisitions that require longer periods to demonstrate performance quality, such as hardware development, the time period should be tailored accordingly.

(ii) The identification and explanation of any cost overruns or underruns, completion delays, performance problems, and terminations.

(3) The contracting officer may start collecting past performance data before proposal receipt. One method for early evaluation of past performance is to request offerors to submit their past performance information in advance of the proposal due date. The RFP could also include a past performance questionnaire for offerors to send their previous customers with instructions to return the completed questionnaire to the Government. Failure of the offeror to

**1817.7301 Down-selections in phased acquisitions.****1817.7301-1 Pre-solicitation planning.**

(a) The rationale for the use of the down-selection technique shall be thoroughly justified in the acquisition planning requirement. Because the initial phase solicitation will also lead to subsequent phase award(s), the decision to use a down-selection strategy must be made prior to release of the initial solicitation. Accordingly, all phases must be addressed in the initial acquisition strategy planning and documented in the acquisition plan or PSM minutes.

(b) If there is no direct link between successful performance in the preceding phase and successful performance in a subsequent phase, down-selection is inappropriate. In this case, the phases should be contracted for separately without a down-selection.

(c) With one exception, both the initial and subsequent phase(s) of an acquisition down-selection process are considered to be full and open competition if the procedures in 1817.7301-4 and 1817.7301-5 (if using the progressive competition technique) are followed. If only one contractor successfully completed a given phase and no other offers are solicited for the subsequent phase, award of the subsequent phase may be made only if justified by one of the exceptions in FAR 6.302 or one of the exclusions in FAR 6.2, and only after compliance with the synopsis requirements of FAR 5.202 and 5.205 and 1804.570-2.

**1817.7301-2 Evaluation factors.**

A separate set of evaluation factors must be developed for each phase in a down-selection competition. Since these competitive down-selection strategies anticipate that a preceding phase contractor will be the subsequent phase contractor, the evaluation factors for initial phase award must specifically include evaluation of the offerors' abilities to perform all phases.

**1817.7301-3 Down-selection milestones.**

(a) When sufficient programmatic and technical information is available to all potential offerors, proposal evaluation and source selection activities need not be delayed until completion of a given phase. These activities should commence as early as practicable. The initial phase contracts should be structured to allow for down-selection at a discrete performance milestone (e.g., a significant design review or contract completion) of a design maturity sufficient to allow for an informed selection decision. This will avoid time gaps between phases and eliminate unnecessary duplication of effort.

(b) The appropriate contract structure must reflect program technical objectives as well as schedule considerations. For example, if a two-phased acquisition strategy calls for formal completion of initial phase effort at Preliminary Design Review (PDR), but it is not financially practical or technically necessary for subsequent phase award and performance to carry all initial phase contractors through PDR, the initial phase contracts should be structured with a basic period of performance through a significant, discrete milestone before PDR with a priced option for effort from that milestone to PDR. The down-selection would occur at the earlier milestone, the PDR option exercised only for the down-selection winner, and the subsequent phase performance begun at the completion of the PDR option.

**1817.7301-4 Synopsis.**

(a) Each phase of a phased acquisition not performed in-house must be synopsized in accordance with FAR 5.201 and must include all the information required by FAR 5.207. Time gaps between

phases should be minimized by early synopsis of subsequent phase competition. The synopsis for the initial competitive phase should also state the following:

- (1) The Government plans to conduct a phased acquisition involving a competitive down-selection process. (Include a description of the process and the phases involved).
  - (2) Competitions for identified subsequent phases will build on the results of previous phases.
  - (3) The award criteria for subsequent phases will include demonstrated completion of specified previous phase requirements.
  - (4) The Government expects that only the initial phase contractors will be capable of successfully competing for the subsequent phase(s). Proposals for the subsequent phase(s) will be requested from these contractors.
  - (5) The Government intends to issue (or not issue) a new, formal solicitation(s) for subsequent phase(s). If new solicitations are not planned, the acquisition must be identified as a "progressive competition" (see 1817.7301-5), and the mechanism for providing pertinent subsequent phase proposal information (e.g., statements of work, specifications, proposal preparation instructions, and evaluation factors for award) must be described.
  - (6) Each subsequent phase of the acquisition will be synopsisized in accordance with FAR 5.201 and 5.203.
  - (7) Notwithstanding the expectation that only the initial phase contractors will be capable of successfully competing for the subsequent phase(s), proposals from all responsible sources submitted by the specified due date will be considered. In order to contend for subsequent phase awards, however, such prospective offerors must demonstrate a design maturity equivalent to that of the prior phase contractors. Failure to fully and completely demonstrate the appropriate level of design maturity may render the proposal unacceptable with no further consideration for contract award.
- (b) In addition to the information in paragraph (a) of this section, the synopsis for the subsequent phase(s) must identify the current phase contractors.

#### **1817.7301-5 Progressive competition.**

(a) To streamline the acquisition process, the preferred approach for NASA phased acquisitions is the "progressive competition" down-selection technique in which new, formal solicitations are not issued for phases subsequent to the initial phase. Subsequent phase proposals are requested by less formal means, normally by a letter accompanied by the appropriate proposal preparation and evaluation information.

(b) When using the progressive competition technique, if a prospective offeror other than one of the preceding phase contractors responds to the synopsis for a subsequent phase and indicates an intention to submit a proposal, the contracting officer shall provide to that offeror all the material furnished to the preceding phase contractors necessary to submit a proposal. This information includes the preceding phase solicitation, contracts, and system performance and design requirements, as well as all proposal preparation instructions and evaluation factors. In addition, the prospective offeror must be advised of all requirements necessary for demonstration of a design maturity equivalent to that of the preceding phase contractors.

(c) A key feature of the progressive competition technique is that a formal solicitation is normally not required. However, when the Government requirements or evaluation procedures change so significantly after release of the initial phase solicitation that a substantial portion of the information provided in the initial phase synopsis, solicitation, or contracts is no longer valid, a new solicitation shall be issued for the next phase.

### **1819.201 General policy.**

(a)(i) NASA is committed to providing to small, veteran-owned small business, service-disabled veteran-owned small business, HUBZone, small disadvantaged, and women-owned small business concerns, maximum practicable opportunities to participate in Agency acquisitions at the prime contract level. The participation of NASA prime contractors in providing subcontracting opportunities to such entities is also an essential part of the Agency's commitment. The participation of these entities is particularly emphasized in high-technology areas where they have not traditionally dominated.

(ii) NASA annually negotiates Agency small, service-disabled veteran-owned small business, HUBZone, small disadvantaged, and women-owned small business prime and subcontracting goals with the Small Business Administration pursuant to section 15(g) of the Small Business Act (15 U.S.C. 644). In addition, NASA has the following statutory goals based on the total value of prime and subcontract awards:

(A) Under Public Laws 101-144, 101-507, and 102-389, an annual goal of at least 8 percent for prime and subcontract awards to small disadvantaged business (SDB) concerns, Historically Black Colleges and Universities (HBCUs), minority institutions (MIs), and women-owned small businesses (WOSBs) (see 1819.7000); and

(B) Under 10 U.S.C. 2323, an annual goal of 5 percent for prime and subcontract awards to SDBs, HBCUs, and WOSBs.

(c) The Assistant Administrator for Small and Disadvantaged Business Utilization (Code K) is the Agency official responsible for carrying out the duties in FAR 19.201(c).

(d)(i) The center director shall designate a qualified individual in the contracting office as a small business specialist to provide a central point of contact to which small business concerns may direct inquiries concerning small business matters and participation in NASA acquisitions. The small business specialist shall also perform other functions specifically set forth in this section 1819.201 or that the procurement officer may prescribe, with the concurrence of the Assistant Administrator for Small and Disadvantaged Business Utilization, for implementing the Small Business Program. When the center director considers that the volume of acquisitions or the functions relating to acquisitions at the center do not warrant a full-time small business specialist, these duties may be assigned to procurement personnel on a part-time basis.

(ii) Small business specialists appointed under paragraph (d)(i) of this section shall perform the following duties, as the procurement officer determines appropriate to the installation:

(A) Maintain a program designed to locate capable small business sources, including those located in labor surplus areas, for current and future acquisitions.

(B) Coordinate inquiries and requests for advice from small business concerns on acquisition matters.

(C) Before issuance of solicitations or contract modifications for additional supplies or services, determine that small business concerns will receive adequate consideration, including making recommendations for initiation of set-asides (see FAR 19.5 and 19.8) and for taking action in accordance with FAR 19.506(b) and 1819.502-70. Participate and provide input early in the acquisition planning phase of proposed acquisitions, including procurement strategy meetings.

(D) If small business concerns cannot be given an opportunity to compete because adequate specifications or drawings are not available, work with appropriate technical and contracting personnel to ensure that necessary specifications or drawings for current or future acquisitions will be available.

(E) Review acquisitions for possible breakout of items suitable for acquisition from small business concerns.

(F) Advise small business concerns regarding financial assistance available under laws and regulations, assist such concerns in applying for such assistance, and ensure that small business



concerns' requests for financial assistance are not treated as a handicap in securing the award of contracts.

(G) Participate in responsibility determinations (see FAR 9.103) when small business concerns are involved.

(H) Participate in the evaluation of prime contractors' small business subcontracting programs (see FAR 19.705-4).

(I) Review and make appropriate recommendations to the contracting officer on any proposal to furnish Government-owned facilities to a contractor if such action may hurt the Small Business Program.

(J) Ensure that participation of small business concerns is accurately reported.

(K) Make available to SBA copies of solicitations when requested.

(L) Act as liaison between contracting officers and SBA area offices and representatives in connection with set-asides, certificates of competency, and any other matters in which the Small Business Program may be involved.

(M) In cooperation with contracting officers and technical personnel, seek and develop information on the technical competence of small business concerns for research and development contracts. Regularly bring to the attention of contracting officers and technical personnel descriptive data, brochures, and other information regarding small business concerns that are apparently competent to perform research and development work in fields in which NASA is interested.

(N) When a small business concern's offer has been rejected for nonresponsiveness or nonresponsibility, assist that concern, upon its request, in understanding such requirements for future awards.

(O) Advise center personnel, as necessary, on new Governmentwide and Agency-approved small business programs and initiatives.

(f)(1) The NASA Ombudsman, the Director of the Contract Management Division, is the designated official for determining whether the use of the SDB mechanism in FAR Subpart 19.11 has resulted in an undue burden on non-SDB firms in the Department of Commerce designated NAICS Major Groups, or is otherwise inappropriate.

### **Subpart 1819.3--Determination of Small Business Status for Small Business Programs**

#### **1819.302 Protesting a small business representation.**

(d)(1) The contracting officer shall not make awards of small business set-aside acquisitions before the expiration of the period for receipt of a size standard protest.

### **Subpart 1819.5--Set-Asides for Small Business**